

Rewald's attorneys cross-examine Wong to flesh out company's ties to the CIA

By Walter Wright

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Sunlin Wong testified yesterday he travelled to a foreign city in 1980 with Ronald Rewald to meet a man he believed to be a CIA agent.

That man, code-named "John Doe 5" in an exhibit admitted into evidence in Rewald's federal fraud trial yesterday, is a former Hawaii resident who was nominally working for the State Department in Hong Kong at the time, according to documents and other information available to The Advertiser.

The man is now dead, according to a family member.

Wong, formerly Rewald's partner and president of Bishop Baldwin Rewald Dillingham & Wong, also testified he once attempted to find office space in Honolulu for another CIA operative, this one code-named "John Doe 7."

With that testimony, extracted from Wong on cross-examination, Rewald's lawyers began to flesh out their contention that the CIA was involved with Rewald and his firm to a far greater extent than it, or Wong, had admitted.

Assistant Federal Public Defender Brian Tamanaha said such evidence is vital to dispel the impression that Rewald's CIA connection was "a joke" involving little-used secret telephones, or a fiction invented by Rewald.

But U.S. District Court Judge Harold Fong said additional CIA involvement may not be relevant to whether Rewald defrauded investors as charged.

Fong said Rewald has to prove there was CIA supervision, control or management of funds of Bishop Baldwin Rewald Dillingham & Wong in a given CIA activity, or the activity will be considered irrelevant to the case.

The fact that money spent by Bishop Baldwin

may have benefited the CIA is not relevant in itself, Fong indicated, unless Rewald can show that the CIA directed the expenditures.

Rewald contends the CIA directed the creation and operation of Bishop Baldwin for spying, promising to reimburse costs incurred, but then chose to "cut and run" when the cover was blown in 1983.

The CIA admits paying \$3,000 for telephone and telex services obtained through the firm for backstop cover for some CIA employees, but denies Rewald's other claims.

Yesterday, Wong testified he thought the CIA was footing the bill for his trip with Rewald to meet a CIA agent. But, questioned further, Wong said he didn't know whether or not Bishop Baldwin paid for the trip.

Wong, who has pleaded guilty to mail and securities fraud charges in the case, is serving a two-year federal prison sentence.

Judge Fong admitted into evidence an edited version of a letter Rewald and Wong wrote to Jack W. Rardin, head of the CIA's public Honolulu office, in September 1980, regarding their trip abroad.

The letter admitted into evidence was edited to conceal the destination, the name and title of the person contacted, and some details of their subsequent conversation and some of Rewald's observations about the country involved.

The Advertiser has obtained a document which appears to be a copy of the same letter, showing that the destination was Hong Kong and that the man they met was working under the cover of a position in the American consulate there.

Such cover is not unusual for the CIA.

Rewald reported in the letter that "John Doe 5" deeply regretted that Canadian Far East Trade Corp., a CIA cover company which Re-

wald and Wong set up in Honolulu, had been terminated in the summer of 1980.

"He was very familiar with our company and excited about the prospects of possibly using us for various cover operations in the near future, in addition to the possibility of exploring contacts we have in various other regions," Rewald wrote.

Rewald wrote that he thought John Doe 5's interest was in being "turned on" to someone associated with communists in Hong Kong, "that he could establish contact or a relationship with."

In the edited version, "communists" was blacked out.

In the name of national security, the government also had blacked out Rewald's references to newspaper and personal reports about Vice Premier Deng Xiaoping of the People's Republic of China.

Also blacked out were Rewald's comments about Peking's efforts to find oil in the South China Sea, and that "banking in the region appears to be very stable."

Such comments might have been excised because they would help pinpoint the destination and person contacted by Rewald. An official familiar with CIA practices, asked about the editing, told The Advertiser last night that the CIA routinely avoids publicly acknowledging interest in given intelligence "targets."

Wong also testified yesterday that he took a man introduced to him by Rewald as a CIA operative on a tour of Honolulu, looking for office space in several locations, including the Ala Moana and University areas.

Neither spot was what the CIA man was looking for, Wong said.